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Message Text

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S: MR. ADAMS
---------- 124492
R 121859Z MAY 75
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C O N F I D E N T I A L STATE 109708

FOLL REPEAT STATE 109708 ACTION ALL AMERICAN REPUBLIC DIPLOMATIC POSTS 11 MAY 75:

QUOTE

E.O. 11652: GDS
TAGS: OAS
SUBJECT: OASGA - PRIVATE DISCUSSIONS - US TRADE ACT, MAY 9

USDEL D-2

1. SUMMARY. LOW-KEY NINETY MINUTE MORNING SESSION ON TRADE ACT HIGHLIGHTED BY THE SECRETARY'S STATEMENT. OTHER DELEGATES REITERATED THEIR CONCERNS REGARDING TRADE ACT, WITH VENEZUELA INVOKING OAS, OPEC AND THIRD WORLD SOLIDARITY. ALL LATINS, HOWEVER, COMMENDED ADMINISTRATION FOR BACKING LEGISLATION REMOVING RESTRICTIONS ON VENEZUELA AND ECUADOR. COSTA RICA CRITICIZED LOME CONVENTION. END SUMMARY.
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2. ECUADOR, VENEZUELA AND PERU LED OFF DISCUSSION OF US TRADE ACT FOLLOWING ACCEPTANCE OF SUGGESTION OF COSTA RICA THAT THIS TOPIC BE CONSIDERED FIRST BY THE FOREIGN MINISTERS. REPRESENTATIVES REPEATED THEIR WELL KNOWN OBJECTIONS TO VARIOUS FEATURES OF THE "COERCIVE AND DISCRIMINATORY PROVISIONS" OF TRADE ACT. ECUADOR ADDED HOPE FOR US SUPPORT IN THE MULTILATERAL TRADE NEGOTIATIONS. VENEZUELA COMPLAINED THAT THE ACT DISCRIMINATES NOT ONLY AGAINST OAS MEMBERS, BUT OPEC MEMBERS, AND STATED THAT THE OBJECTIVE OF THE LATIN AMERICANS SHOULD BE UNITY WITH THE ENTIRE THIRD WORLD.

3. BRAZIL (SUPPORTED BY ARGENTINA AND URUGUAY) CRITICIZED COUNTERVAILING DUTIES PROVISIONS OF THE TRADE ACT, AND UNCERTAINTIES ARISING FROM PRESIDENTIALDISCRETION IN APPLYING THE LAW. NOTABLE WAS BRAZIL'S STATEMENT THAT THE ONLY ELEMENT OF BARGAINING POWER FOR THE LDCS IS THEIR ABILITY TO CONTROL THE SUPPLY OF THEIR OWN RAW MATERIALS TO THE DEVELOPED COUNTRIES.

4. COSTA RICA CRITICIZED THE LOME CTNVENTION FOR RESTRICTING ITS PREFERENCES, PARTICULARLY ON TROPICAL PRODUCTS, TO MEMBER COUNTRIES, (THOUGH IT SUPPORTED THE INCLUSION OF THE CARIBBEAN NATIONS AMONG THE SIGNATORIES. (BAHAMAS, BARBADOS, GRENADA, GUYANAN, JAMAICA, AND TRINIDAD/TOBAGO ARE SIGNERS OF THE CONVENTION, TOGETHER WITH 37 AFRICAN, AND 3 PACIFIC ISLAND COUNTRIES.) HE ASKED THAT THE PREFERENCES BE EXTENDED TO OTHER LATIN AMERICAN COUNTRIES, AND ASKED THE US TO HELP. (IN THE AFTERNOON SESSION, GUATEMALA SUGGESTED THAT THE OAS OFFICE IN GENEVA MIGHT INITIATE DISCUSSIONS THERE WITH THE EEC.) FOLLOWING A DENIAL BY JAMAICA THAT THE LOME CONVENTION HAS NEGATIVE ASPECTS, COSTA RICA CLAIMED THAT THE LOME CONVENTION WILL BE MORE DETRIMENTAL TO LATIN AMERICAN TRADE INTERESTS THAN THE US TRADE ACT.

5. SECRETARY KISSINGER REFERRED TO THE EVOLUTION IN INTERNATIONAL RELATIONSHIPS AND THE QUESTIONING IN THE US OVER THE PROPER US ROLE. HE TOUCHED ON THE PROBLEMS IN COORDINATING OUR POSITION WITH THE CONGRESS, AND IN EX-
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PLAINING IT TO THE US PUBLIC. THE SECRETARY REITERATED OUR COMMITMENT TO PARTICIPATE IN THE PROCESS OF DEVELOPMENT, AND TO THE NEED TO FIND SOLUTIONS TO PROBLEMS IN THE WESTERN HEMISPHERE. HE REPEATED OUR AIM TO HELP FORGE A MORE LIBERAL TRADING SYSTEM, PARTICULARLY THROUGH THE MULTILATERAL TRADE NEGOTIATIONS, WHICH WOULD BENEFIT NOT ONLY THE US, BUT LATIN AMERICA AS WELL. HE REAFFIRMED OUR COMMITMENT TO THE TOKYO DECLARATION AND THE DECLARATION OF

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6. SPECIFICALLY WITH REGARD TO CRITICISMS OF THE TRADE ACT, THE SECRETARY ACKNOWLEDGED THAT HE WAS KEENLY AWARE OF LATIN CONCERNS, ESPECIALLY THOSE ARISING FROM THE GSP ELIGIBILITY PROVISIONS. HE NOTED THAT BOTH PRESEIDENT FORD AND HE HAD SPOKEN OUT ABOUT RIGIDITIES IN THE ACT. FOLLOWING CONSULTATIONS WITH CONGRESS, CONGRESSMAN GREEN HAS INTRODUCED LEGISLATION WHICH WOULD MODIFY THE AUTOMATIC EXCLUSION OF OPEC MEMBERS FROM GSP, AND INFORMED THE MINISTERS THAT THE ADMINISTRATION CONSIDERS THE GREEN AMENDMENT TO BE A SIGNIFICANT STEP FORWARD AND WE SUPPORT IT. (FYI: HR 5897, INTRODUCED BY CONGRESSMAN GREEN, AND COSPONSORED BY CONGRESSMEN ULMAN, SCHNEEBELI, AND CONABLE, WOULD PERMIT THE PRESIDENT TO WAIVE THE APPLICATION OF SECTION 502(B)(2) TO COUNTRIES WHICH HAVE NOT PARTICIPATED IN EMBARGOES IN THE PAST, OR ARE NOT PARTICIPATING IN SUCH ACTION, PROVIDED THE PRESIDENT DETERMINES THAT IT IS IN THE NATIONAL ECONOMIC INTEREST TO DO SO.)

7. WITH REFERENCE TO THE PREVIOUS STATEMENTS SUPPORTING OPEC SOLIDARITY BY VENEZUELA AND PERU, THE SECRETARY ACKNOWLEDGED THAT THE AMENDMENT DOES NOT GO FAR ENOUGH, SINCE WE WOULD PREFER THAT IT BE GLOBAL IN NATURE, WITH AUTHORITY TO APPLY IT TO ALL OPEC MEMBERS. HE NOTED THAT SENIOR OFFICIALS OF THE ADMINISTRATION WOULD BE TESTIFYING BEFORE HEARINGS ON THE GREEN AMENDMENT EARLY IN THE WEEK OF MAY 12, AND SAID HE WAS HOEPFUL THAT LEGISLATION CAN BE PASSED BEFORE IMPLEMENTATION OF GSP WHICH WOULD AUTHORIZE THE PRESIDENT TO WAIVE THE OPEC EXCLUEION FOR ECUADOR, VENEZUELA, AND OTHER OPEC MEMBERS.

8. COMMENT: THE GENERAL TONE OF LATING REMARKS WAS CONFIDENTIAL

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MODERATE, RELATIVELY PRAGMATIC, AND RECOGNIZED ADMINISTRATION EFFORTS TO ACCOMMODATE LATIN CONCERNS. NEW FORMAT OF PRIVATE CONVERSATIONS CUT DOWN RHETORIC IMMENSELY AND WORKED RATHER WELL.

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